



GARY R. HERBERT  
Governor

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Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

September 9, 2015

#### CERTIFIED RETURN RECEIPT

7013 3020 0002 3659 6047

Craig Dansie  
Nephi Sandstone Corporation  
P.O. Box 137  
Nephi, Utah 84648

Subject: Review of Reclamation Surety, Nephi Sandstone Corporation, Champlin #1, S/023/0104, Juab County, Utah

Dear Mr. Evans:

By letter dated March 18, 2014, the Division of Oil, Gas and Mining required that the reclamation surety for the Champlin #1 mine be increased from \$19,700.00 to \$25,000.00 for a three-year escalation or \$25,600 for a five-year escalation. The Division later issued a cessation order because it did not receive the increase and no longer considers the existing surety to be adequate.

**The Division reiterates that the requirement to increase the surety and the associated cessation order are still in effect.** The Division has been precluded from pursuing forfeiture of the existing surety before the Board of Oil, Gas and Mining because of other priorities but intends to take this action unless the surety is increased as required.

Please contact the bond coordinator, Penny Berry, at 801-538-5291 or by e mail at [pennyberry@utah.gov](mailto:pennyberry@utah.gov) for information about submitting the additional bond. Your current bond is in the form of a certificate of deposit with Zions Bank. You may increase the amount in the CD, or you may submit a new CD, a letter of credit, cash, or a surety bond for either the increased or full amount of the surety.

Please contact the permit lead for this mine, Wayne Western, at 801-538-5263 if you have questions concerning this requirement.

Sincerely,

Paul B. Baker  
Mining Program Manager

PBB:mbt:pb

cc: Duane Bays, Fillmore BLM ([dbays@blm.gov](mailto:dbays@blm.gov))

John Robinson, Assistant Attorney General

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